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# Letter dated 5 December 2007 from the Chairman of the Security Council Committee established pursuant to resolution 1521 (2003) concerning Liberia addressed to the President of the Security Council

On behalf of the Security Council Committee established pursuant to resolution 1521 (2003) concerning Liberia, and in accordance with paragraph 1 (e) of Security Council resolution 1760 (2007), I have the honour to submit herewith the report of the Panel of Experts on Liberia.

I would appreciate it if the present letter, together with its enclosure, were brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) Nassir Abdulaziz **Al-Nasser**
Chairman
Security Council Committee established pursuant to
resolution 1521 (2003) concerning Liberia

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## Letter dated 22 November 2007 from the Panel of Experts on Liberia addressed to the Chairman of the Security Council Committee established pursuant to resolution 1521 (2003)

The members of the Panel of Experts on Liberia have the honour to enclose the report of the Panel, submitted in accordance with paragraph 1 (e) of Security Council resolution 1760 (2007).

(*Signed*) Von Kemedi

(*Signed*) Wynet Smith

# Report of the Panel of Experts submitted pursuant to paragraph 1 (e) of Security Council resolution 1760 (2007) concerning Liberia

*Summary*

**Diamonds**

Following the lifting of sanctions on rough diamonds and admittance to membership of the Kimberley Process, the Government of Liberia lifted its moratorium on diamond mining on 26 July 2007. Liberia commenced rough diamond exports in early September and had issued nine Kimberley Process certificates for shipments containing 14,632 carats valued at approximately $1.848 million by the end of October. These exports included five parcels of diamonds which did not meet the standards of the new internal control system. The Kimberley Process Participation Committee did provide clearance, however, for the last four shipments although diamond experts had earlier concluded that they could not exclude the possibility of Ivorian diamonds being present in one parcel. The Ministry of Lands, Mines and Energy has obtained information that a shipment of diamonds was exported to Israel without a Kimberley Process certificate.

**Timber**

Since the lifting of sanctions and the promulgation of the Forestry Reform Law, in June and October 2006, respectively, the Forestry Development Authority (FDA) has been preparing the regulatory framework for commercial logging, conservation and community forestry. The Managing Director signed 10 core forestry regulations into effect in September. FDA has vetted a national forest management strategy. Given delays, FDA now plans to award only six short-term timber sales contracts in early 2008. As required by the law, FDA has established a panel to review prequalification applications from timber companies. FDA has adjusted projected revenues from the timber sector from $5.2 million to $1.9 million for the period 2007-2008. Community forestry and wildlife laws were not submitted to the Legislature within the legally required period although FDA hopes to submit these bills early in 2008. FDA and partners are working on the legally mandated national protected area network and have prioritized three areas for protection.

**Arms and security**

The Panel found no evidence of significant movements of arms or ex-combatants across Liberia's borders during the reporting period. Neighbouring countries and border areas have been relatively stable. Armed robbery rates for Monrovia have increased dramatically compared to 2006, however, with firearms involved in about a third of cases. This worrisome development has raised the profile of the debate over rearming Liberia's security services and has highlighted some of the challenges confronting the establishment of sustainable rule of law. In the counties, stability remains vulnerable to the porosity of borders, the lack of equipment and capacity of law enforcement agencies, and localized yet persisting structures of ex-combatants.

**Travel ban and assets freeze**

During the reporting period, two people on the travel ban list applied for waivers, of which one was approved and one was disallowed. The capacity of some relevant authorities is limited, which could impact their ability to restrict the movement of people on the travel ban list within the West African subregion. No assets have been frozen in Liberia during the Panel's mandate. The National Legislature defeated the assets freeze bill. Two prominent members of the Legislature (Jewel Howard Taylor and Edwin Snowe) remain on the assets freeze list. Investigations by the Government of Nigeria have found no conclusive proof of any funds, economic assets or investments made by Charles Taylor in Nigeria. Since the Government of Nigeria has not yet shared its reports, the Panel has not been able to confirm these findings.

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# I. Introduction

1. By its resolution 1731 (2006), the Security Council decided to renew the measures on arms imposed by paragraph 2 of its resolution 1521 (2003) and modified by paragraphs 1 and 2 of its resolution 1683 (2006), and to renew the measures imposed under paragraph 4 (a) of resolution 1521 (2003) for a further period of 12 months. The Council ended its prohibitions on timber imports from Liberia in June 2006; the prohibitions on diamond imports from Liberia were terminated by its resolution 1753 (2007).

2. In its resolution 1760 (2007), the Security Council requested the Secretary-General to appoint a three-member Panel of Experts on Liberia to investigate and report on the implementation of the relevant sanctions measures: an arms embargo, as well as a travel ban and an assets freeze on designated individuals and entities deemed to be a threat to regional peace. The Council also mandated the Panel to assess the implementation by the Government of Liberia of the Forestry Reform Law and its compliance with the Kimberley Process Certification Scheme for diamonds.

3. On 23 July 2007, the Secretary-General appointed the Panel of Experts on Liberia (see S/2007/454). The Panel consisted of Rajiva Sinha (India), a financial expert, Von Kemedi (Nigeria), a security expert, and Wynet Smith (Canada), a natural resources expert. Unfortunately, Mr. Sinha had to resign on 1 October 2007. The Panel was also assisted by Nicolas Florquin (France), an arms-security consultant, and, starting in late October, by Lothar Lorenz (Germany), a financial consultant.

4. The present document is the official report of the Panel of Experts summarizing its conclusions and observations for the period from August to November 2007. The Ministry of Foreign Affairs provided the Panel with a copy of a Government response to the previous Panel report, but as it was received on 21 November the Panel has not had time to address it.

# II. Methodology and standards of verification

5. The Panel used established evidentiary standards to substantiate findings: fully authenticated documentary evidence or at least two credible and verifiably independent sources. It also undertook direct observation of activities whenever possible.

6. Where appropriate, allegations against States, individuals and enterprises were put to those concerned in order to allow them the right of reply. In its efforts to present only irrefutable facts, the Panel has omitted all information for which it has not been able to find conclusive evidence.

7. To fulfil its mandate, the Panel conducted assessments in Liberia, Côte d'Ivoire and Nigeria, as well as in Canada, the European Union, Switzerland and the United States of America from August to November 2007.

8. The Panel is grateful for the assistance provided by the Government of Liberia.

9. The Panel exchanged information regularly with the United Nations Mission in Liberia (UNMIL). It is grateful to UNMIL for its invaluable support, especially in the areas of security, logistics and transportation.

10. The Panel also cooperated with the Group of Experts on Côte d'Ivoire appointed pursuant to resolution 1761 (2007). It received additional assistance from the organizations listed in annex I to the present report.

## III. Recent developments in Liberia

11. The situation in Liberia is relatively calm. While there are no significant security threats, rule of law remains a problem. Armed robberies have increased significantly and threaten the well-being of Liberian citizens on a daily basis (see paras. 154-155).

12. Security sector reform has progressed during the reporting period and a national security strategy and architecture is scheduled to be finalized by the end of 2007 (see para. 134). As of November 2007, 645 recruits of the Armed Forces of Liberia (AFL) have completed their basic training and the force is expected to grow to 1,600 soldiers by May 2008, although the lack of higher grade officers remains a challenge. The Liberia National Police (LNP) has deployed 1,300 of its 3,500 officers to the counties, although their performance is constrained by lack of transport and communication equipment, as well as absenteeism and management issues.

13. The Security Council renewed the mandate of UNMIL until the end of September 2008. The presence of the Mission remains important as the Government of Liberia struggles to re-establish its authority and control over its territory. Enforcement over natural resources continues to present a challenge for the Government. There is a wide range of illegal activities, including unlicensed diamond and gold mining, pit-sawing, rubber tapping, wildlife poaching and forest encroachment (see paras. 55-56 and 90-91). Rangers in Sapo National Park have been threatened by miners operating in the park. Joint patrols between the Forestry Development Authority (FDA) and UNMIL are required to help provide some enforcement capacity in forest areas of Liberia. The involvement and cooperation of the Ministry of Internal Affairs and the judiciary are also crucial.

14. The Government's financial situation continues to improve. The Ministry of Finance has been working on tax reform policy and will introduce draft legislation to the Legislature early in 2008. Liberia is hoping to reach the decision point for the Highly Indebted Poor Country Initiative in February 2008, which will be a significant step towards multilateral debt relief. There is a general need, however, for more capacity in financial management and planning.

15. Management in some ministries and agencies requires further attention. The Panel notes that Ministers have often not been present in the country during critical decision-making periods.

16. Government efforts to combat corruption are hampered because the Legislature is yet to pass the anti-corruption law, which is still in the House of Representatives. The Legislature has, however, ratified the African Convention on Preventing and Combating Corruption and the United Nations Convention against Corruption.

# IV. Diamonds

17. On 27 April 2007, the Security Council, in resolution 1753 (2007) ended its prohibitions on diamond imports from Liberia imposed in 2003 (resolution 1521 (2003), para. 6). Following the lifting of sanctions, Liberia was formally admitted to the Kimberley Process Certification Scheme on 4 May 2007. The Council decided to review the lifting of sanctions after consideration of the report of the Panel of Experts on Liberia, as requested in resolution 1731 (2006), and of a report from the Chairman of the Scheme, as encouraged by the Council in resolution 1753 (2007).

18. The Panel has worked closely with the Ministry of Lands, Mines and Energy throughout its mandate in order to assess the compliance of the Government of Liberia with the Scheme. The Panel assessed the work of the Government Diamond Office and visited four Regional Diamond Offices. With the assistance of UNMIL, the Panel was also able to conduct an overflight of key mining areas.

### Kimberley Process Certification Scheme in Liberia

19. To be a participant in the Kimberley Process Certification Scheme, countries must meet a number of basic requirements. Liberia was admitted as a Participant since it has met basic criteria, including development of a Kimberley Process certificate and establishment of internal controls designed to eliminate conflict diamonds from shipments. It will now need to implement this system, maintain and share production and export statistics, and maintain standards of cooperation and transparency.

20. The legal framework for the Kimberley Process Certification Scheme in Liberia is the Kimberley Diamond Certification Law of 2004, which prohibits the exporting authority (the Ministry of Lands, Mines and Energy) from issuing a certificate until the exporter has provided conclusive evidence that the rough diamonds meant for export have been mined in the Republic or imported in compliance with law and that the presence of conflict diamonds has been eliminated from the consignment. In addition, the exporter must provide a declaration that the rough diamonds being exported are not conflict diamonds. In conformity with Kimberley Process requirements, the Kimberley Process Law lays down that diamonds must be exported to a participant of the Scheme.

21. Liberia's Kimberley Process Law requires that all mines, artisanal (class C) miners and diamond buyers (whether brokers or dealers), are properly licensed. Class C miners are required to take their diamonds to the nearest Regional Diamond Office, which serves as the primary entry point for diamonds entering the chain of custody system. Regional officers must verify that the miner has a licence, register the characteristics of the diamonds and issue an authentication voucher. Copies of the voucher are given to the miner, while the regional officer retains one and sends the remaining copy to the Government Diamond Office in Monrovia. Large mining operations (class A) take their diamonds directly to the Government Diamond Office.

22. Miners can sell diamonds to either licensed brokers or dealers. Brokers are authorized to sell rough diamonds to licensed dealers, who are the only authorized exporters. At each exchange, the buyers and sellers must complete a sales receipt that records licence numbers for the seller and buyer, and the volume and value of

the transaction. The dealers must present these documents along with their diamonds to the Government Diamond Office.

23. The Government Diamond Office is where the sorting, valuing and issuance of Kimberley Process certificates takes place, provided the shipment has the required documentation. Staff members also take digital photographs of all parcels. They then package the shipment in a tamper resistant container. The highest of three values is used to determine the 3 per cent Government royalty. Once the dealer verifies payment of the royalty, the Government Diamond Office can issue a Kimberley Process certificate and authorize export. Staff members must maintain a national computerized, relational database, entering all details from licences, vouchers and sales receipts.

24. Besides Government valuers, the Office requires an independent valuator to provide a third-party assessment. This position was externally funded by the United States Agency for International Development (USAID) for September and October and they have extended funding to cover November and December. A second external valuer was also funded by USAID for the first two weeks of September during the crucial phase of the first exports. In addition, the Agency funded a consultant for three months prior to commencement of exports in order to assist with preparation of the certification scheme so as to ensure long-term durability and compliance. He left Liberia on 7 September, just after the first diamond shipment.

25. A customs officer works at the Ministry of Lands, Mines and Energy to facilitate the export process. The officer accompanied the first exporters on their visits to the Ministry of Finance and to Roberts International Airport so as to ensure a smooth start to the Kimberley Process.

**Major developments since the lifting of sanctions**

26. The Government obtained its Kimberley Process Certification Scheme certificates in late July 2007 and announced the end of its moratorium on diamond mining on 26 July 2007 (see annex II), the country's independence day.

27. By the end of October, the Bureau of Mines at the Ministry of Lands, Mines and Energy had issued 106 class C and two class B diamond mining licences. They had also issued 13 broker and 12 dealer licences (see annex III), although only 8 broker and 9 dealer licences were registered in the Government Diamond Office database as of mid-November. According to the Ministry, the diamond sector had earned $10,000 and $15,750 from class B and class C diamond mining licences, respectively, $19,500 for broker licence fees, and $240,000 for 10 diamond dealer licence fees by the end of October.

28. During the two months ending 31 October 2007, the Government Diamond Office issued certificates for nine shipments of diamonds totalling 14,632 carats, valued at approximately $1.848 million. The Government's royalties on these shipments was $55,448. These shipments included four to Israel, three to Belgium and two to the United Arab Emirates.

29. The shipments included five parcels totalling 12,100, carats valued at approximately $1.5 million of diamond stocks, that is, diamonds extracted and exchanged outside the system of internal controls and thus lacking required chain of custody documents. The remaining four parcels of approximately 2,531 carats of

diamonds valued at approximately $346,825 were exported under the regular internal controls described above.

30. The Government of Liberia attended the Kimberley Process intersessional meeting in June and the plenary meeting from 5 to 8 November, both of which took place in Brussels. It made a presentation to the plenary on 7 November. A "friends of Liberia" meeting took place during one of the scheduled breaks to discuss challenges in implementation and areas where international partners could continue to support Liberia.

31. The Minister issued a press release on 9 November that a dealer exported a parcel of diamonds to Israel by "circumventing the Mining and Mineral Laws of Liberia and the requirement of the Kimberley Process Certification Scheme" (see annex IV). The Ministry advised the dealer to return to Liberia with the parcel so that it could properly deal with the parcel and fully implement the law. This case came to the attention of the Ministry of Lands, Mines and Energy because the dealer returned to Liberia to export a second parcel (for which he obtained a Kimberley Process certificate in October) and attempted to obtain a Kimberley Process certificate for the first, unauthorized, shipment.

**Clearance of diamond stocks**

32. Any diamonds without the required documentation present a challenge to Liberia's internal control system. According to the Ministry of Lands, Mines and Energy officials, they raised the issue of the existence of diamond stocks with some participants at the Kimberley Process intersessional meeting in June and were told to declare stocks and request an amnesty. However, the Liberian Task Force on Diamonds discussed the issue in Monrovia on 29 August and cautioned the Ministry about issuing Kimberley Process certificates for diamond stocks. Owing to the unprecedented nature of this situation, the Kimberley Process and other stakeholders did not generally support an amnesty.

33. During the period from June to August, the Ministry of Lands, Mines and Energy appears not to have undertaken the necessary steps to prepare for the exports of stocks. Thus, when a dealer brought the first parcel to the Government Diamond Office in early September, there was a need to improvise. Staff members valued the diamonds and sent digital photographs of the diamonds to the Kimberley Process Working Group of Diamond Experts to help determine the origin of the diamonds. As no concern was raised about the presence of conflict diamonds, the Office issued Liberia's first Kimberley Process certificate for this shipment of 2,253 carats, worth $255,597, on 5 September. The shipment left the country the same day for Israel.

34. This event prompted additional discussions among the Ministry of Lands, Mines and Energy and various stakeholders about how to handle further cases of diamond stocks. Participants in a conference call on 6 September between the Ministry, the Kimberley Process, UNMIL, the Panel of Experts and the State Department of the United States, agreed that it was laudable that the Ministry had consulted with various stakeholders prior to issuing a certificate, but that a procedure to deal with future exports of stocks and an estimate of stocks were required. The Ministry indicated that the problem should be small, as only three dealers had been licensed as of 6 September. It also confirmed that the shipment was sent to a Kimberley Process participant and that the exporter had signed a declaration attesting to the diamonds being of Liberian origin.

35. The Ministry of Lands, Mines and Energy prepared a proposal for dealing with stocks and submitted it to the Kimberley Process on 17 September. It also held a meeting with brokers and dealers to ask them to declare their stocks and, on 27 September, the Ministry submitted an estimate to the Kimberley Process that there were 10 dealers and a stock of 16,000 carats valued at $1.8 million. It arrived at this estimate by doubling the volumes declared by four dealers, of which only two shipments had been physically verified by the Government Diamond Office.

36. The Kimberley Process Participation Committee held a conference call on 26 September and reviewed the proposal of the Ministry of Lands, Mines and Energy. The Committee concluded that it required more accurate information on the stock estimate from Liberia, including: (a) the size and value of the actual stocks; (b) confirmation that the stocks were physically verified by Government inspectors; and (c) information on how the Government Diamond Office would ensure that Kimberley Process certificates would only be issued for volumes of previously declared stocks.

37. In a letter dated 3 October, the Ministry of Lands, Mines and Energy clarified that 10,374 carats, worth approximately $1,237,884, had been declared by four exporters and verified by the Ministry. Following this exchange, the Kimberley Process Participation Committee informed the Ministry on 10 October that it had clearance to export the declared, verified stocks of 10,374 carats, but that this process had to be completed by 31 October 2007. All stocks were exported prior to this deadline.

38. The Panel notes that the exports of diamond stocks did not contain any diamonds from large companies, although Italgems should have been expected to have stocks to export, based on its proposed procedures for storing gems found during exploration prior to the lifting of sanctions, as reported in previous Panel reports (see S/2005/745, annex, para. 50, and S/2006/379, annex, para. 59).

**Uncertainty about origins of one shipment**

39. The second parcel of diamond stocks arrived at the Government Diamond Office on 11 September, prior to the development of the stock procedure. The parcel contained 5,232 carats valued at $363,980. The Office took digital photographs and sent them to the Kimberley Process Working Group of Diamond Experts. The Working Group emailed the Office on 12 September that "we — WGDE, assisted by WDC [World Diamond Council] experts — cannot exclude the fact that this shipment may be contaminated with conflict diamonds originating in Côte d'Ivoire". The Working Group requested further information on the shipment, including fluorescence data and more detailed transaction history. The Office sent fluorescence data on 14 September, packaged the shipment in a tamper-resistant container and gave it to the exporter to keep until its status and the general stock issue were resolved.

40. In the process of examining the possibility of Ivorian diamonds being smuggled into Liberia, the Panel shared information with the Group of Experts on Côte d'Ivoire. The company wishing to export the diamonds in question had two previous shipments from Ghana temporarily seized in Dubai. The first was seized on 13 July 2006 because authorities concluded the diamonds were not of Ghanaian origin and the second was seized on 28 November 2006 because authorities initially had doubts regarding the authenticity of the Ghanaian Kimberley Process certificate

(see S/2006/735, annex, para. 163, S/2006/964, annex, para. 41, and S/2007/349, annex, paras. 121-122). The Panel informed the Government Diamond Office of this information during the week of 25 September.

41. Upon receiving the general clearance for stocks from the Kimberley Process Participation Committee, the Government Diamond Office issued a certificate on 11 October and the exporter left immediately for Dubai, via Ghana. The Panel has requested clarification from the Chairman of the Kimberley Process on whether the concerns about the potential presence of Ivorian diamonds was shared with the Committee prior to its decision and whether the Working Group had revised its opinion about the parcel. The Panel did not obtain a response prior to completing the present report.

**Chain of custody exports**

42. As noted, the Government Diamond Office has also issued four Kimberley Process certificates for parcels with the correct chain of custody documentation. The Office issued a Kimberley Process certificate on 26 September. The Panel examined the chain of custody documents that afternoon and noted that critical information was missing. While the shipment had mining vouchers and sales receipts, the latter did not provide a licence number for a broker or a dealer. The name of the purchaser was not registered in the Office database and there was no paperwork connecting the purchaser to the dealer exporting the parcel. Further investigation by the Panel and staff members of the Office revealed that the Bureau of Mines had not issued a licence for 2007 to the broker.

43. Based on this information, the Government Diamond Office requested officials at Roberts International Airport to prevent export of the shipment. On 27 September, the Ministry had the certificate in its possession. After further discussion with the dealer and the broker, the Office decided to allow the broker to obtain a licence and to proceed with the export once all licences were in place.

44. In mid-November, the Panel examined the documentation for the other three parcels, which appeared to be in order.

45. The Panel visited three operational Regional Diamond Offices in Bomi Hills, Lofa Bridge and Kakata, as well as Weasua, which does not yet have an operational office. All three Offices had issued vouchers during the past month and documentation was generally in order. The Panel noted that some vouchers were issued to miners with gold-mining licences. The Government Diamond Office later informed the Panel that the database did not allow it to enter transactions that were not associated with a valid diamond-mining licence number.

**Assessment of compliance**

46. The Panel's assessment is that, in general, the Government of Liberia meets the requirements of the Kimberley Process Certification Scheme. The Government Diamond Office appears to be observing the internal controls, although there were some very basic mistakes made in the first chain of custody export, as described above.

47. The Ministry of Lands, Mines and Energy has made commendable efforts to communicate with the Kimberley Process secretariat and participants to resolve outstanding issues, such as the diamond stock problem. It has also been transparent

in its work and voluntarily shared data with the Kimberley Process to obtain input on difficult decisions.

48. The stock issue did prove problematic, however, and the doubts about the origin of one stock shipment do raise some concerns about the decision-making process and about how effectively the Kimberley Process system can exclude conflict diamonds. Given the renewal of Security Council sanctions on rough diamond exports from Côte d'Ivoire and the Brussels Initiative on diamonds from Côte d'Ivoire adopted at the Kimberley Process plenary on 8 November, it is imperative that the Government of Liberia and other Kimberley Process participants are diligent in their efforts to prevent the flow of conflict diamonds into the legitimate diamond trade. The illegal shipment of diamonds to Israel illustrates the ease with which exporters can elude internal control systems.

49. The Kimberley Process expert mission of March 2007 contained both pre- and post-Kimberley Process admission requirements for Liberia. On 23 July, the Chairman of the Kimberley Process reported that the Government of Liberia would be present at the plenary in November but that implementation of the recommendations of the Kimberley Process expert mission remained ongoing.

50. Two containers still need to be relocated as of mid-November. In addition, the Government has rented a house in Weasua since road conditions had prevented the placement of that container. The Government Diamond Office is considering installing a Regional Diamond Office in Sinoe County.

51. The Government has engaged in significant outreach activities aimed at raising awareness about the Kimberley Process system. Nonetheless, there is much to be done with regard to the sensitization of miners, brokers and dealers to the details of the internal control mechanism. The representatives of three industry associations complained to the Panel about the lack of involvement of those directly involved in the sector.

52. The Panel would like to highlight a number of other issues (see below) that could have an impact upon the integrity of Liberia's system of internal controls and its ability to implement its own law effectively.

**Budgetary issues**

53. The budget prepared for the Kimberley Process system in Liberia for the period 2007-2008 put the estimated operating costs at $605,000. It included salaries far above current Government salaries, but still well below wages earned by those working in similar positions in neighbouring countries. Based on discussions with officials of the Ministry of Lands, Mines and Energy in late September and with the Minister on 15 November, it appears that concerns about internal discrepancies between the proposed wages for Government Diamond Office and Regional Diamond Office staff and other Ministry staff have led to an impasse on the budget. The Minister stated that they were looking into options for resolving this problem, including making the Government Diamond Office a semi-autonomous agency.

54. While recognizing these difficulties, the Panel is concerned about the impact this unresolved situation is having on the morale and commitment of staff members. Government Diamond Office staff members are expressing frustration and on two occasions (in late September and mid-November), the Panel met with regional officers who were gathered in Monrovia to discuss the situation with Ministry

officials. When these officers are gathered in Monrovia, there is no one in any of the Regional Diamond Offices to issue vouchers to miners.

**Unlicensed mining activities and security concerns**

55. The overflight of the main diamond mining areas on 7 September revealed a wide range of mining activity. There was more artisanal mining under way in Sinoe (near the Butaw Oil Palm Company) than a few months previously. There was also an increase in activity at mining sites in Nimba County (Jungle Waters) and in western Liberia (American Mining Associates and Italgems). The presence of large numbers of unlicensed artisanal miners in various areas, including Sinoe and western Liberia, poses significant challenges to the Government's system of internal controls.

56. The Ministry of Lands, Mines and Energy held a press conference on 6 September to address the issue of illicit mining. The Deputy Minister stated that illicit mining was widespread and that the Government was not capable of overseeing this problem. He stressed that it was important that miners obtain licences and that miners without licences would not be able to have their diamonds enter the Kimberley Process system legally. However, the Government made two arrests for illegal diamond mining in October. The Panel has been able to ascertain that the arrests occurred in Gbarpolu and Sinoe Counties, but does not have further confirmed details.

57. According to an UNMIL report, a group of illegal miners surrounded and attacked a police station in Gbarpolu County on 17 August 2007. The group was demanding the release of items used for illegal mining that were earlier confiscated by police during a search and seizure operation. The police and magistrate retreated from the town and sought refuge at the American Mining Associates' Camp.

58. On 6 September, the Panel and the UNMIL Civil Affairs Section met with representatives of miners, who alleged that they had been evicted from their mining claims by the American Mining Associates and LNP in Kumgbor. Miners claimed to have been beaten, to have had their equipment confiscated by LNP (see para. 57 above) and to have been arrested. The Kumgbor leaders said that some 700 members of their community had left their homes and property to come to Monrovia.

59. The Panel also met with representatives of the Gold and Diamond Miners and Workers Union of Liberia, the Federation of Miners Association of Liberia and the Gold and Diamond Dealers and Brokers Association of Liberia on 5 September. These organizations aired a number of grievances, including restrictions on mining equipment for class C miners, the situation in Kumgbor and the need to involve more miners and brokers directly in the Kimberley Process awareness-raising activities.

60. Miners and brokers have expressed the fact that they are not necessarily ready to take diamonds to the Regional Diamond Offices and risk having their goods stolen and their lives put at risk. A few regional officers have also expressed concerns about their security at the Offices. There have been break-ins at two Offices since they were installed. Two Offices also indicated that they have had problems with door locks.

61. Diamond mining continues in neighbouring Côte d'Ivoire, as confirmed by the Group of Experts on Côte d'Ivoire (see S/2007/611, annex). This situation could potentially pose a threat to the fledgling Liberian system.

**Conclusion and recommendations**

62. The Government of Liberia has made significant progress during the first six months of its participation in the Kimberley Process. It must continue to work diligently to ensure that its internal controls are comprehensively and effectively implemented. Moreover, the Government needs to ensure that it strikes the right balance between providing service to its clients and implementing its law and internal controls.

63. While there is no confirmed case of diamond smuggling into Liberia, the Government of Liberia should be vigilant that Ivorian diamonds do not pass through its porous borders and enter its legitimate trade. There is a need for heightened sensitivity to potential shifts in trade flows.

64. Given that there has been considerable time, money and effort put into the recruitment and training of various staff members, the Panel urges the Government of Liberia to resolve as quickly as possible the budget issue. The Ministry of Lands, Mines and Energy also needs to ensure that it takes the necessary steps to make certain that a replacement independent valuer is hired before the current USAID-funded valuer's term expires in late December.

65. Given that there are significant numbers of unlicensed miners, there are potentially large numbers of diamonds ineligible for vouchers. The Government's participation in the Kimberley Process Working Group on Artisanal Alluvial Production is a good first step towards developing a strategy to address this problem. The Ministry of Lands, Mines and Energy also needs to resolve the issue of how to deal with diamonds found in gold-mining claims. They should examine potential options, including having one class C licence for general mineral extraction.

66. The Government and UNMIL must ensure that the remaining Regional Diamond Offices are in place and operational in the near future. The Government should also continue to engage different stakeholders within Liberia to understand the rules and engage in the process. These efforts should include both education and awareness-building not only with other ministries and agencies but also with the public and the mining sector.

67. In accordance with the Kimberley Process expert mission recommendation, the Panel strongly encourages Liberia to invite a Kimberley Process review visit within a year of full participation in and implementation of the Kimberley Process Certification Scheme.

68. The Panel urges the Kimberley Process community to consider the needs of Liberia in terms of, inter alia, capacity-building, equipment, training and regional coordination in order to support Kimberley Process implementation in Liberia. To this end, Liberia needs to develop a list of priority funding areas, as it agreed to do at the friends of Liberia meeting in Brussels.

69. The Panel urges the Kimberley Process to undertake any outstanding recommendations from its own expert mission of March 2007, including conducting an analysis of regional production and export figures.

70. Liberia's progress in implementation will require strong leadership and ownership by relevant stakeholders, especially the Ministry of Lands, Mines and Energy, as well as the effective ongoing management of human, financial and material resources. The Government of Liberia must ensure that it has the political will to implement its own internal controls and guard its hard-won success and progress.

# V. Forest management and the timber sector

71. The Security Council allowed the timber sanctions to expire on 21 June 2006. The lifting was confirmed once Liberia adopted a Forestry Reform Law in September 2006. The Law came into effect in October 2006, setting the legal framework for forest management in Liberia, which integrates community, commercial and conservation objectives. Security Council resolution 1760 (2007) lays down that Liberia's progress in the timber sector must continue with the effective implementation and enforcement of this Law, including the resolution of land and tenure rights.

72. An assessment of the overall implementation and enforcement of the Law must include an examination of the main requirements. The Panel conducted an assessment of progress on tasks related to four major areas: general forest policy and planning; commercial forestry operations; community forestry; and conservation (see table 1). The Panel also examined the enforcement situation. In general, the Panel can report that the Government continues to move forward on implementation of forestry reform legislation. There are a number of challenges, however, that continue to impede progress, which are discussed in more detail at the end of the present section.

Table 1
**Summary of major Forestry Reform Law requirements**

| *General areas* | *Legal requirements* | *Status* |
|---|---|---|
| Policy and planning | Forest management strategy | Drafted as of June 2007. Vetted in October in communities and in Monrovia in November |
| | Forest Management Advisory Committee | Established in July. Meets regularly |
| Commercial forestry | Pre-qualification | Applications being processed by Technical Panel |
| | Preparation of inventories, justification documents and prospectus for timber sale contracts | Six nearly complete |

| *General areas* | *Legal requirements* | *Status* |
|---|---|---|
| | Chain of custody system that meets international standards | Negotiations completed with the SGS Group. Contract not signed by all required signatories |
| Community forestry | Community forestry law: FDA is to draft and submit the law to the Legislature within one year of the Forestry Law | Timeline not met, but work is under way. Plan is to submit the law to the Legislature early in 2008 |
| Conservation | Wildlife law: FDA is required to submit a draft to the Legislature within one year | Timeline not met, but work is under way. Draft to be ready in 2008 |
| | Regulations on hunting and trade in wildlife | Work not initiated |
| | Protected Area Network: requirement to have 30 per cent of remaining forests in protected areas | Work under way. Principles drafted. Three potential protected areas prioritized |

**Forest policy, planning and regulations**

73. The Forestry Reform Law obligates FDA to undertake a number of specific tasks, including development of a forest policy, a national forest management strategy, regulations required to help implement the Law and establishment of a chain of custody system for wood and wood products movement.

74. The forest management strategy is supposed to classify all forest land according to legal status and potential suitable use. FDA prepared a draft strategy and vetted it in key locations in Liberia. However, some non-governmental organizations (NGOs) have expressed reservations that the legal status of lands is not defined, especially with respect to customary rights of forest-dependent communities. FDA management intends to put the strategy before the Board of Directors in December.

75. FDA developed, with the assistance of its partners, 10 core regulations. These were in draft form by June 2007. The Board of Directors of FDA endorsed the regulations, which were then signed into effect by the Managing Director on 11 September. The Authority has a list of 19 other regulations that still require development.

76. A Forest Management Advisory Committee has been set up, as required by the Forestry Reform Law. The Committee's role is to provide input to FDA on general forest policy and strategy issues. The Committee has been meeting weekly since July. FDA and the Committee were in the process of addressing communication issues in late October to ensure that the Committee would be more effective.

**Commercial-forestry-related developments**

77. The Forestry Reform Law contains a number of requirements with regard to the preparation, tendering and awarding of contracts for commercial forestry operations. While FDA has made progress towards many of the requirements, they remain largely uncompleted. As of November 2007, the only logging activities in Liberia were illegal pit-sawing operations, documented in previous Panel reports, which are largely unchecked in terms of location and operating standards (see S/2006/379, annex, para. 24).

78. FDA is currently working on a variety of tasks, including the preparation of timber sales contracts. While it was aiming to award 10 short-term timber sales contracts, the Authority has reduced the initial slate to 6 owing to delays. The target date for the bidding process for the first timber sale contracts is now early in 2008. FDA is also conducting the studies required to prepare bid documents for three forest management contracts to be awarded later in 2008.

79. FDA and partners negotiated a contract to manage the chain of custody system. Negotiations on the percentage of fees to be earned by the SGS Group started in July and continued to 31 October, on which date FDA and SGS signed the contract. The Ministries of Finance and Justice have not yet signed it.

80. As required by the Law, FDA has established a panel to review pre-qualification applications from logging companies. The Authority held a workshop for interested parties in September and began accepting applications in October. The panel is currently assessing applications. The core regulation on pre-qualification (103-07) requires that applicants must meet a number of basic requirements in order to pre-qualify, including that they be a corporation registered to do business in Liberia, in good standing in their payments of corporate taxes and social security, in good standing in relation to their payment of forestry fees and not disbarred from government contracting under the Public Procurement and Concessions Commission (see annex V).

81. According to a list provided to the Panel by the Ministry of Commerce, 82 companies have registered to date as intending to engage in forestry or logging activities and are thus eligible to apply for pre-qualification (see annex VI). The list includes companies identified by the Forest Concession Review Committee as having tax arrears (see S/2005/745, annex, paras. 72-73).

82. In October, the Association of Liberian Loggers wrote letters to the Managing Director of FDA and to the Ministry of Finance. On 26 October, the Deputy Minister of Finance responded to the Association's letter, acquiescing to the request that the pre-qualification process defer the requirement for a tax clearance (see annex VII). The Deputy Minister wrote that "logging companies will submit their tax clearances along with the bid documents during the tender process", but states that a decision cannot be made presently to write off taxes.

**Community forestry and rights**

83. The Forestry Reform Law requires that FDA develop a regulation to grant to local communities user and management rights, transfer to them control of forest use and build their capacity for sustainable forest management. The Law also requires that they develop a regulation to establish a fair and transparent process for

allocating forestry fees to communities. While FDA has not yet developed the first regulation, the second is now in effect.

84. The Law also requires that, within one year of its effective date, FDA develop and present to the National Legislature a comprehensive law governing community rights with respect to forest lands. This deadline was not met. A Community Forestry Working Group is in place and it aims to submit a draft bill to the Legislature in early 2008.

**Conservation and environmental protection**

85. The Forestry Reform Law requires FDA to undertake a number of tasks related to conservation. One of the major requirements is for FDA to establish a Protected Forest Area Network and conservation corridors of 1.5 million hectares, which equals 30 per cent of Liberia's existing forest area. The Law also requires FDA to present a bill for wildlife conservation and protection to the Legislature within one year of the effective date of the Forestry Reform Law.

86. The protected area network is still comprised of one national park (Sapo) and one strict nature reserve (Nimba), which account for 4 per cent of the forest area. A workshop was held in August to agree on a proposed protected area network, as identified in the Forestry Reform Law. The workshop identified three priority areas for protection. Consultations are under way on the first area in Grand Cape Mount County.

87. FDA did not meet the deadline for submitting the wildlife bill, nor has it initiated work on the wildlife management regulations identified to control hunting and trade in wildlife. None of the initial 10 core regulations addresses conservation or environmental components.

88. There are serious ongoing problems with enforcement in the conservation sector (see below).

**Enforcement**

89. One of the initial conditions for the lifting of sanctions was that the Government of Liberia establish its full authority and control over the timber producing areas (resolution 1521 (2003), para. 11). To this end, FDA and UNMIL have conducted joint patrols.

90. During the month of September, these patrols were affected by the rainy season, although they also found that this was impacting the extent of the activities taking place on the ground. The patrols found evidence of pit-sawing in all sectors. One patrol found that there was illegal logging and encroachment into the Grebo National Forest, located in Grand Gedeh and River Gee Counties. In a letter dated 26 October addressed to UNMIL, the Managing Director of FDA requested a second phase of joint patrols and UNMIL has agreed to participate.

91. Although illegal gold miners were removed from Sapo National Park in 2005, many miners have moved back into the park. In addition to mining, many of the miners engage in hunting. Rangers of the Sapo National Park staff have come under attack on at least two occasions during 2007. Rangers on patrol at Camp Afghanistan came under fire on the night of 28 May by a group of illegal miners and hunters. It is alleged that many of these hunters and miners are ex-combatants who

are headed by the son of a paramount chief in Sinoe County. According to an FDA-UNMIL joint patrol report, a separate incident occurred on 30 August when seven park staff members were attacked while on patrol in Sapo National Park (New Zwedru). The rangers came in contact with illicit miners who had in their possession mining equipment, cutlasses and a single barrel gun. When the rangers asked them to leave the park, the miners attacked them and two rangers sustained injuries. The matter was reported to the local authorities.

92. Even where FDA officers are able to be effective in making arrests, the judicial system and other officials do not appear to support these actions. FDA staff claim that at least 40 people arrested in Sapo National Park since May 2006 were released by various courts within a week of arrest. This situation demoralizes the staff and makes it possible for uncontrolled use of forest resources to continue. The Managing Director of FDA has also written to the Minister of Internal Affairs requesting his prompt intervention to help stop the illegal activities occurring in Grebo National Forest. The current situation does raise serious questions about the capacity of FDA and the rest of the Liberian enforcement and judicial system to undertake effective monitoring and enforcement activities once timber harvesting recommences.

93. The last Panel report described an incident of illegal export of timber that left the freeport of Monrovia on 30 March 2007 (see S/2007/340, annex, paras. 30-34). The container and its contents have not been returned to Liberia. FDA has complained that the Ministry of Justice never prosecuted Cisse Abdoulaye (the exporter) when the FDA reported the case against him.

**Financial management**

94. The Panel requested the audited financial report for the fiscal year ending 30 June 2007. An unaudited report was provided. According to the report, the major source of FDA revenue is subsidies from the Government of Liberia. FDA was budgeted to spend $2.64 million; by the end of year it had expended $2,425,530. International partners came to the direct assistance of the Authority with $394,559, as well as additional indirect support, such as technical assistance, field support and training. The United States Government will provide $1.64 million to develop and support the chain of custody system.

95. FDA initially requested a budget of $4.1 million for operations in the 2007-2008 fiscal year, but the Government only allocated $2.77 million. This recast budget is affecting the work of the Authority. However, despite its reduced budget, FDA has not further decreased its budgeted salaried employees, retaining more staff than recommended through the right-sizing activity conducted in 2007, described in the previous Panel report (S/2007/340, annex, para. 39). Therefore, FDA operations must be sacrificed in order to meet the budget. Fortunately, some partners are providing assistance to cover some of the costs of essential fieldwork.

96. The monthly reports for the current fiscal year show a high expenditure on domestic and foreign travel as well as on entertainment. The report for the last fiscal year indicates that the travel budget was exceeded by 148 per cent. The financial report for September 2007 indicates that the 2007-2008 travel budget has already been exceeded by as much as 280 per cent. This overspending includes actual expenditures of $26,051 on domestic travel (against a budget figure of $10,328) and $17,894 on foreign travel (against a budgeted figure of $5,622). In addition, 32 per

cent of the actual travel expenditures of approximately $44,000 were paid in advance and not settled with receipts, in contradiction to new internal accounting procedures of the Authority co-developed by FDA, the Governance and Economic Management Assistance Programme (GEMAP) and the Liberia Forest Initiative.

97. The financial report for fiscal year 2007 indicated that there were problems of valuation of assets and liabilities. Many records have been lost and a significant number of items have to be re-valued. The financial report noted that two independent studies by the European Commission were unable to establish an inventory. The Accounts Department is now proposing to prepare a balance sheet, setting out the Authority's assets, liabilities and equities.

98. Although FDA does not issue permits for sawn timber, it has been issuing transport permits for pit-sawn timber at a rate of $0.60. It has also issued 458 permits for charcoal during the period 1 June to 8 November 2007. A total of $513,000 was collected and deposited into the account of the Ministry of Finance at the Central Bank of Liberia.

**Land tenure**

99. Efforts to resolve land tenure issues are being made within the forestry context as well as on a broader basis. The Governance Commission has undertaken a road map exercise. Seven working groups have prepared reports and these were presented at a workshop in May 2007. A study was also completed by a consultant for the World Bank. Other studies have been prepared on forestry, on land tenure and, specifically, on forestry as part of the background work being undertaken to develop the community forest rights law.

**Conclusion and recommendations**

100. While FDA continues to move forward in the right direction, progress is sometimes slow. Planning and management of resources remain significant challenges. The lack of planning and of logistical capability, as well as inadequate funding, all have an impact upon the ability of the Authority to design and implement programmes to carry out the various components of its mandated responsibilities.

101. FDA must strive to plan and prepare its tasks more assiduously. It has many important tasks to undertake if the forest resources of Liberia are to be managed in a sustainable manner for the benefit of the Liberian population in the decades to come. Balancing immediate expectations for economic activity and development goals with environmental and longer development will not be easy.

102. FDA must also ensure that it practices responsible fiscal management and makes the best use of its existing resources. For example, the Panel recommends a review of travel expense procedures to check against any abuse.

103. FDA must ensure that it fulfils the requirements to develop the draft legislation for governing community rights with respect to forest lands and for wildlife conservation and protection.

104. FDA must ensure that it implements the Forestry Reform Law and regulations during this crucial phase of recommencing commercial logging. The Government

has invested heavily in the reform process and should not sacrifice long-term goals for short-term gains.

## VI. Arms and security

105. The Security Council, in paragraph 2 of its resolution 1521 (2003), prohibited the supply to Liberia of arms and related material of all types, as well as technical training and assistance. These sanctions were subsequently modified by the Council in paragraphs 1 to 4 of its resolution 1683 (2006) and in paragraph 1 (b) of its resolution 1731 (2006). Conditions for the Council to terminate the sanctions on arms, as listed in paragraph 5 of resolution 1521 (2003), include progress in maintaining stability in the region, the successful completion of disarmament, demobilization, reintegration and rehabilitation, progress in security sector reform and the establishment of sustainable rule of law and stability within Liberia.

### Movements of arms

106. The Panel did not find any evidence of significant unauthorized transfers of weapons, ammunition, or related material, or of non-approved provisions of military training to Liberia during the reporting period.

107. On 22 December 2006, Executive Order 6 banned the private possession of firearms, with the exception of single-barrel guns used for hunting, which were to be registered with the authorities. Although some counties have taken preliminary measures, registration has not officially started, as issues were raised about the 1956 Firearms Traffic Act taking legal precedence over the Executive Order (which expires after one year). A draft firearms law is currently under review to resolve this situation, including efforts to harmonize it with the legislation of neighbouring countries.

108. On 17 July 2007, Major General Charles Julu, a former commander of the Special Anti-Terrorist Unit under President Samuel Doe, and George Koukou, a former Speaker of the National Transitional Legislative Assembly, were arrested and charged with treason for allegedly attempting to destabilize the Government. The arrests followed the detention of a third suspect, Colonel Andrew Dorbor, by Ivorian authorities for allegedly seeking to purchase 200 Kalashnikov rifles and 3,000 uniforms in Toulépleu and Guiglo, Côte d'Ivoire, in January and February 2007. Colonel Dorbor was repatriated to Liberia on 18 April 2007 aboard a special Ivorian flight. The trial started on 21 November 2007 at Liberia's Circuit Court A.

109. On 5 August 2007, LNP raided a house in Gbarnga, Bong County, suspected of containing weapons and ammunition brought in from Nimba County. The suspect, an ethnic Mandingo, was actually a businessman involved in scrap metal recycling. The police found only rusty, empty cartridges and scrap metal in the house. This incident remains significant in that the rumours surrounding it exacerbated tensions in Gbarnga. Residents from other ethnicities started throwing stones at the suspect's house as well as the town's mosque, meeting resistance from Mandingos. The Nigerian Formed Police Unit, the United Nations police and LNP had to intervene to defuse the unrest. The press linked the incident with the case mentioned above, further exacerbating speculation and tensions.

110. LNP, the United Nations Development Programme (UNDP), and such NGOs as Landmine Action continue to locate weapons and ammunition as part of their respective activities. LNP is then supposed to demarcate the areas where weapons or unexploded ordnance are found and notify UNMIL of the locations. It is the responsibility of UNMIL to collect and periodically destroy all weapons and ammunition.

111. As of November 2007, UNMIL had destroyed 31,059 weapons, including 884 after the completion of the official disarmament and demobilization programme. The most recently collected weapons are unserviceable; of the 131 weapons destroyed by UNMIL on 3 September 2007, 94 (or 72 per cent) were not in working condition.

112. As of November 2007, UNMIL has destroyed 108,497 rounds of ammunition and 1,647 pieces of unexploded ordnance. Current explosive ordnance disposal capacity is limited, however, and is resulting in delays in the destruction of dangerous items. Local authorities in Kolahun showed the Panel four unexploded rocket-propelled grenade (RPG) shells lying on the ground close to an LNP station. The authorities declared having contacted UNMIL, after which an explosive ordnance disposal specialist inspected and marked the area with a red flag for future destruction. According to the local authorities, the unexploded ordnance had been lying there for over a month. The Panel has received several other oral testimonies about delays of up to six months before unexploded ordnance is destroyed.

113. Ammunition and other unexploded ordnance continue to pose a threat to civilians who may not be aware of the risks associated with such devices. On 4 November 2007, a 17-year-old woman lost her leg in the town of Somboloe, Lofa County, after she used an unexploded RPG-7 shell to poke her cooking fire.

**Exceptions to the arms embargo**

114. Resolutions 1521 (2003), 1683 (2006) and 1731 (2006) contain provisions for Member States and other parties to request exceptions to the arms sanctions. As of November 2007, the Security Council Committee established pursuant to resolution 1521 (2003) concerning Liberia has issued nine exceptions to the arms embargo.

115. Exceptions to date authorize Nigeria, China, the United Kingdom, the United States, and UNMIL, under specific conditions, to provide military equipment for training of or use by vetted and trained officials of the AFL, LNP and the Special Security Service (SSS). In addition, in paragraph 1 of its resolution 1683 (2006), the Security Council authorized the weapons originally transferred to Liberia for the training of SSS to remain in the custody of the Service for their operational use.

116. In resolution 1683 (2006), the Security Council further requests UNMIL to carry out periodic inspections of the weapons and ammunition transferred to Liberian security forces and, together with the Panel, to monitor the implementation of the arms embargo. As of November 2007, the UNMIL Firearm Inspection Team has submitted five reports based on inspections of LNP and SSS armories conducted since December 2006.

117. Following preliminary investigations and based on UNMIL inspection and previous Panel reports, the Panel found that the quantities of military material present in Liberia were in some cases below the amounts approved by the Committee. In order to clarify this situation, the Panel addressed letters to Nigeria,

China, the United Kingdom and the United States, requesting an update on the status of deliveries. As of 20 November 2007, the Panel has received written responses from China and the United Kingdom. The Panel also met with the National Security Adviser of Liberia, the UNMIL Firearm Inspection Team and the United States Embassy in Monrovia to discuss the issue. Based on the information received by the Panel as of 20 November 2007, table 2 contains a summary of the status of each exception.

Table 2
**Status of transfers of arms to Liberia approved by the Committee established pursuant to resolution 1521 (2003) concerning Liberia**

| *Requesting State/party* | *Date of approval* | *Approved purpose* | *Status of deliveries* | *Current custodian in Liberia* |
|---|---|---|---|---|
| UNMIL | 23 December 2004 | Training of LNP by UNMIL | Completed | UNMIL |
| United States | 25 August 2005 | Training of AFL by the United States | Partial | United States Government |
| United States | 9 March 2006 | Training of SSS by the United States | Partial | SSS, as authorized by resolution 1683 (2006) |
| United Kingdom | 16 August 2006 | Training of LNP by UNMIL | Completed | UNMIL |
| United Kingdom | 15 September 2006 | Training of AFL by the United States | Completed | United States Government |
| Nigeria | 29 September 2006 | Use by LNP | Completed | LNP |
| United States | 13 April 2007 | Training of AFL by the United States | Partial | United States Government |
| China and Liberia | 10 May 2007 | Use by SSS | To begin late 2007 | Not applicable |
| United States and Liberia | 24 May 2007 | Transfer from SSS to LNP for use | Completed | LNP |

118. The Panel has received information on the numbers and types of weapons and ammunition currently in Liberia under the custody of the authorized recipients. Some of the ammunition has, naturally, been used during training. All weapons are accounted for apart from three exceptions granted to the United States.

119. The United States Embassy informed the Panel that the difference for the two AFL exceptions was due to the fact that the shipments of weapons for the training of the AFL were ongoing and provided a list of the equipment received to date. Kaseman, a contractor to the United States Government that advises and mentors SSS, informed the Panel that the difference between the number of weapons originally authorized for the training of the Service and what is currently in the Services armory is due to two reasons. Only a portion of the approved quantities

was delivered to the United States Embassy and some weapons were subsequently kept for use by the training advisers.

120. The Panel also received a list of the weapons donated to UNMIL by the City of Antwerp for the training of LNP, which are currently stored at the training academy and guarded by the Jordanian Formed Police Unit. The remainder of these weapons has either been destroyed or is stored at the Mission's "Starbase" location in Monrovia.

121. It proved more difficult to obtain specific documentation and information on the actual number of weapons and ammunition delivered, the date of delivery and the port of entry. Relevant resolutions do not require exception-holding States or parties to provide the Committee with such information. This situation makes the monitoring of approved arms transfers difficult. The Panel is not aware of any inspections of shipments on arrival at the port of entry. The Government and UNMIL appear to be informed of the arrival of new shipments, however, and UNMIL escorts imported equipment from the point of entry to its final destination.

122. UNMIL Firearm Inspection Team inspection reports include detailed information, such as the serial numbers of all weapons kept in the LNP and AFL armories. The Team checks weapon sign-out registers against the names of Liberian officials authorized to handle firearms. While inventories of weapons and ammunition are detailed in the reports, the presence in the armories of other approved material, such as riot control equipment, is noted but no detailed figures are provided.

123. In February 2007, UNMIL provided LNP with an engraving machine for the marking of LNP and SSS weapons in accordance with resolutions 1521 (2003) and 1683 (2006). These institutions' initials are engraved on non-removable parts of their respective weapons.

**Regional and border security**

124. There were no significant regional or cross-border threats to Liberia's security during the reporting period. The Liberian Government enjoys friendly relations with all three neighbouring countries. Liberian authorities and/or UNMIL regularly carry out joint border patrols with their counterparts in Côte d'Ivoire, Guinea and Sierra Leone.

125. Recorded population movements across borders are balanced and mainly involve petty trade. According to data provided by the UNMIL military, 15,982 people entered Liberia through monitored land border crossings, while 16,295 left the country during September 2007. Outside these monitored checkpoints, the borders remain porous, however. In Lofa County, for instance, while the Bureau of Immigration and Naturalization and UNMIL do monitor movements at the six vehicle border checkpoints and at 11 other crossing points, individuals can cross the border by foot, motorcycle, or canoe through one of the 16 other known unmanned crossing points. Comprehensive monitoring of the borders is particularly difficult during the rainy season.

126. Since the signing of the Ouagadougou Peace Agreement on 4 March 2007, the situation at the Ivorian border has remained calm and stable. The Panel visited the border town of Zwedru in Grand Gedeh County on 3 October 2007. UNMIL personnel, Liberian authorities and NGOs operating in the area stressed the positive

impact of the Ivorian peace process on security in Liberia. Crime levels remain low, with the few cases of reported armed robberies involving bladed weapons as opposed to firearms. The rare firearm incidents are related to hunting.

127. The Panel did not come across any substantiated reports of cross-border movements of ex-combatants or military material at the Ivorian border. Fears of Liberians crossing the border to turn in weapons in exchange for Ivorian disarmament programme benefits appear to be exaggerated. To date, cash payments in the context of disarmament in Côte d'Ivoire were only made to 981 members of pro-Government militias of 2,000 eligible individuals in June 2006.

128. While overall peace in Côte d'Ivoire is positive news for Liberia, the lack of progress in the disarmament of former Ivorian rebel forces and pro-Government militias is worrisome in that the tools of war will remain easily available in that country for anyone wishing to spoil the Ivorian or Liberian peace processes. To date, ceremonies in Guiglo (July 2006 and May 2007) and Bouaké (July 2007) resulted in the surrender of 2,417 weapons, mostly old models.

129. The Panel visited the towns of Voinjama and Kolahun in Lofa County from 13 to 15 November 2007 to assess the situation at the Guinean border. The security situation in the county has largely improved since the last report. The appointment of an ethnic Mandingo as District Commissioner of Quardu-Gboni District on 6 August 2007 has helped ease tensions between Mandingos and other ethnicities and to extend State authority in a traditionally volatile area. Satisfactory rice production, increased LNP deployment and return to calm in Guinea have also contributed to security.

130. Lofa County remains vulnerable to isolated armed robberies perpetrated by a small group of suspected ex-combatants who take advantage of the porosity of borders to seek refuge in Guinea. The latest such incident involved the attempted robbery of a motorcycle belonging to the international NGO Samaritan's Purse on 29 August 2007 along the Zorzor-Voinjama road. The two robbers proceeded to flee with the motorbike to Guinea after shooting to death a civilian who tried to interfere with their escape. The motorbike was later retrieved by the Guinean authorities.

131. The Panel has not come across evidence of any significant cross-border movement of Liberian ex-combatants to Guinea since those reported during the January and February 2007 civilian uprisings in that country (see S/2007/340, annex, paras. 146-151). Stability in Guinea remains fragile, however. Crucial legislative elections, originally scheduled for December 2007, are facing delays and the outlook for President Lansana Conté's succession remains unclear. The January-February riots resulted in the destruction of the State's administrative infrastructure in most provinces, thereby restricting the reach of the rule of law.

132. There were no significant security incidents at the Sierra Leone border during the reporting period, including during the August-September presidential elections in that country. Sierra Leone's armed forces operate joint border patrols with UNMIL and the Liberian authorities and regularly exchange information. UNMIL military personnel observing the situation at the border with the Foya District during the elections reported the situation to be calm. The recent successful political transition in Sierra Leone adds to the positive outlook in the region.

133. While UNMIL and Liberian authorities are generally satisfied with their ability to patrol and monitor movements at land borders, their lack of water-patrolling

capacity means that the coast remains largely uncontrolled. Despite random UNMIL air patrols, little can be done to prevent thefts at sea or to arrest boats illegally entering or leaving Liberian waters. The alleged theft of the Bulgarian-owned cargo ship *Tohoma Reefer* on 11 May 2007 outside Monrovia is an example of such challenges (see S/2007/340, annex, para. 153). The ship is currently under the Ghanaian authorities' custody at the Tema Port of Accra, pending results of an investigation into competing ownership claims.

**Security sector reform**

134. As of late November 2007, the national security strategy, drafted in part by the Governance Commission and the Ministry of National Defence, was being finalized with technical support from UNMIL. It is hoped that the National Security Council will adopt the document by the end of 2007. Draft legislation is being developed to accompany the strategy. The strategy will form the basis of a new security architecture and will address structural issues, such as the overlapping mandates of existing security agencies by reducing the number of agencies to a more rational and sustainable number.

135. The rate of training of AFL has increased since the last Panel report. As of November 2007, 645 recruits have completed their basic training and were transferred to the Edward Binyah Kessely military barracks, where they are assigned to permanent units and undergo advanced training. The force is expected to grow to 1,100 soldiers by February 2008 and to 1,600 soldiers by May 2008. The first joint AFL-UNMIL patrols in Monrovia are anticipated to occur in June 2008. The Government of Liberia will assume control over the AFL only after the completion of the entire training programme, which is expected in November 2009 at the earliest.

136. The demobilization of the previous AFL means that there are no experienced company grade officers available to command infantry companies. The United States and Liberian Governments have come up with a solution for the interim period until junior Liberian officers are prepared to command companies. The Economic Community of West African States will be providing commanders for the first three AFL companies.

137. The screening and vetting of AFL recruits rest upon physical and medical tests, background checks, the possession of a high school diploma and the West African proficiency exam for literacy. Names of recruits are published in newspapers to allow the population to report any concerns. In November 2007, the International Committee of the Red Cross and UNMIL were scheduled to provide the existing force with training on international humanitarian law, human rights, governance and sexual abuse prevention.

138. As of October 2007, less than 5 per cent of the force consisted of former AFL soldiers. Only 3.6 per cent were women, far from President Johnson Sirleaf's stated goal of 20 per cent. Illiteracy and negative perceptions of the old AFL among women explain these difficulties. No ethnic group accounted for more than 15 per cent of the force.

139. As of October 2007, LNP strength stood at 3,500 officers, of whom 1,300 had been deployed to the counties. The basic training of the first 100 candidates for the

Emergency Reaction Unit is scheduled to begin in January 2008. The training plan calls for 500 fully trained and equipped personnel for the Unit by June 2009.

140. Lack of communication and transport equipment continue to limit the operational capacity of LNP. In Zwedru, Grand Gedeh County, the only car available for the 84 officers of LNP was out of order during the Panel's visit. The officers frequently rely on United Nations police vehicles to reach crime scenes. Absenteeism within LNP became a growing problem during the reporting period.

141. The management of LNP has come under increased criticism following the violent clash between the Liberia Seaport Police and LNP on 9 July 2007. This incident occurred during a visit of the Inspector General of Police, Colonel Beatrice Munnah Sieh, to the freeport of Monrovia to investigate reports about the theft of fuel. The President established a board of inquiry to investigate the matter. She decided on 9 August 2007 to place Colonel Sieh on probation for three months and to suspend the Assistant Director of the Liberia Seaport Police for one month without pay.

142. The increase in armed robberies as described in paragraphs 154 and 155 below has raised the profile of the public debate over whether Liberia's security forces need to be better armed in order to be able to respond to such threats. Liberian and international stakeholders generally support the current policy of progressively building the capacity of specific Liberian security units to allow trained and vetted officers to use firearms.

143. Current Security Council resolutions only authorize trained and vetted members of AFL, LNP and SSS to operate weapons. Sixty-two trained officers of the Police Support Unit of LNP are entitled to use firearms in accordance with the 2005 use of force policy and the 2006 weapons control policy elaborated jointly by LNP and UNMIL. About 120 of the 494 SSS trained officers are authorized to use firearms and have received relevant training. The Panel was informed that SSS weapons have been involved in five accidental discharges in the past six months. One SSS rifle is currently kept under LNP custody as evidence in a shooting case that took place on 5 July 2006. As of November 2007, AFL weapons remain in the custody of the United States and its contractors, DynCorp and Pacific Architects and Engineers.

144. To date, AFL and LNP have been the only security agencies receiving substantial international assistance. Plans are also under way, with assistance from France, Ghana and the Netherlands, to support the Bureau of Immigration and Naturalization. Liberian stakeholders hope that, with the adoption of the security strategy, other critical components of the Liberian security sector — including a firefighting force and coast guard — will also be given the means of building their capacities. Plans are being formulated to reconstitute the Liberia National Coastguard.

**Reintegration of ex-combatants**

145. As of November 2007, 90,000 of the 101,000 ex-combatants who took part in the official disarmament and demobilization programme have benefited from reintegration and rehabilitation packages. About 2,000 are estimated to have spontaneously reintegrated into communities, leaving a caseload of about 9,000 eligible ex-combatants still requiring reintegration assistance.

146. Concerns have been raised about the track record of the disarmament, demobilization, reintegration and rehabilitation programme in providing sustainable livelihoods to a number of participating ex-combatants (see S/2007/479, para. 32). According to a survey carried out by UNMIL in December 2006, 70 per cent of ex-combatants who received training under the official programme considered themselves unemployed or underemployed. Critics argue that reintegration packages — usually six- to nine-month vocational and educational training courses — did not necessarily take into account the realities of the Liberian economy and job market, but were rather based on wishes expressed by participants in the programme.

147. A closer look at available empirical data suggests, however, that the difficulties faced by ex-combatants are not necessarily worse than those faced by ordinary Liberians, who experience an unemployment rate above 80 per cent. Moreover, the programme appears to have improved the socio-economic conditions of some participants. According to a 2006 survey of 590 ex-combatants funded by UNDP, those ex-combatants who formally disarmed, demobilized and completed their reintegration training were found to be significantly better off in socio-economic terms than those ex-combatants who officially disarmed but did not receive reintegration packages.

148. Improving the living conditions of ex-combatants will therefore require revitalizing the Liberian economy and job market as a whole. UNMIL, together with UNDP, the National Commission on Disarmament, Demobilization, Reintegration and Rehabilitation, as well as the Ministries of Agriculture, Education and Planning, are currently considering providing the remaining caseload of ex-combatants with reintegration packages that include short-term employment and apprenticeship opportunities rather than just training courses.

149. Despite the advanced stage of the programme, horizontal ties among ex-combatants remain. Wartime camaraderie has subsisted long after the return to peace, even more so as demobilized combatants have stayed together for months in cantonment sites and training centres before returning to their respective communities.

150. More worrisome is the fact that some ex-combatants have also kept ties with their former commanders. According to the above-mentioned UNDP survey, 22 per cent of graduates from the programme maintain routine ties with their former leaders. While there is no ex-combatant structure at the national level, small groups have returned to their former commanders to earn "quick money" by operating businesses, working in farms, or getting involved in illegal resource extraction.

151. A September-December 2006 study based on in-depth interviews of 394 screened ex-combatants in the Guthrie Rubber Plantation, undertaken by Landmine Action, found that several hundred former fighters were at the time involved in the illegal management and exploitation of the plantation. They were unarmed but operating under the same pyramidal structures that governed their factions during the conflict. With the Government seeking progressively to reassert control over the management of natural resource extraction sites, there is a risk that ex-combatant structures will simply shift to other illegal activities in Liberia or abroad.

152. There were several demonstrations by ex-combatants protesting delays in UNDP payments of their subsistence allowances throughout June and July 2007, as described in the Secretary-General's progress report (S/2007/479, para. 10). UNDP

has since made all outstanding payments and closed its programme. On 30 September 2007, a group of ex-combatants protested at the office of the National Commission regarding the status of the remaining caseload of participants who have yet to benefit from the reintegration component of the programme.

153. Groups of ex-soldiers and officers who were "deactivated" following the restructuring of AFL, LNP and SSS have been peacefully protesting on a regular basis over the pace of the payment of their pension benefits and salary arrears. The Government has begun making payments in instalments and is in the process of creating a Bureau of Veterans Affairs to deal with the issue.

**Crime and the rule of law**

154. According to data from the UNMIL Security Information Coordination Unit, a total of 370 armed robberies were carried out in Monrovia from 1 January to 11 November 2007. Of these, 120 (32 per cent), were perpetrated with firearms, the rest involving primarily bladed weapons such as knifes and cutlasses. The typical armed robbery is committed between 1 and 3 a.m. by a group of two or more individuals who target a private residence. Groups of robbers are rarely armed with more than one firearm, typically a Kalashnikov rifle, a shotgun or, more recently, a handgun.

155. Overall, the number of armed robberies is increasing compared with the previous year. From 1 September to 11 November 2006, the Unit recorded 30 armed robberies, 11 (37 per cent) of which, involved firearms. In 2007, 116 armed robberies were recorded over the same time period, of which 34 (31 per cent) involved firearms. These figures suggest an armed robbery rate 10 times higher than in 2006, although the increase could be partially due to higher reporting rates.

156. By contrast, weapons are not visible and are rarely used in the counties, although hunters reportedly use 12-gauge hunting ammunition manufactured in and smuggled from Guinea. Weapon injuries do not appear to be a problem; health facilities operating in the counties are rarely solicited for treating firearm injuries.

157. However, there are ongoing tensions in some locations that erupt into violence. For example, on 17 November 2007, Liberian Agricultural Company authorities arrived at the plantation camp to inform the workers that according to a memorandum of understanding signed on 15 November 2007 between the company and the Government, the company would carry out the expansion of rubber plantations, opposed by local inhabitants, at a controversial area. A group of local inhabitants attacked the workers and took the plantation manager (a Belgium national) away with them. It was reported that the local inhabitants opened fire against the company workers. UNMIL dispatched patrols to the scene and recovered the dead body of the manager, who had been shot and killed. LNP and the Plant Protection Department arrested 21 persons involved in the incident.

158. More generally, the rule of law remains weak all over the country, in particular outside Monrovia. The governance and rule of law pillar under the poverty reduction strategy 2007-2012 includes useful steps towards improving the rule of law, including the strengthening institutional and staffing capabilities of the legislative and judiciary branches, the institution of legal aid clinics in each county to strengthen access to justice and the creation of 450 positions in order to recruit and train correctional staff across Liberia. The proposal to establish a Law Reform

Commission together with constitutional reforms will be useful in addressing several of the issues pertaining to the rule of law in Liberia.

159. Coordination between the judiciary and the police and law enforcement agencies is weak and overall confidence in the legal system is low. This poses problems not only for security, law and order but, by extension, economic and social development, as the rule of law is the very basis for investor confidence. Owing to the state of the economy, many people are unable to retain lawyers, while the Chief Justice's pledge to strengthen the public defender scheme is yet to make any significant impact.

160. The difficulties experienced by the judiciary in prosecuting perpetrators of armed robberies are worrying. The lack of qualified legal personnel in the judiciary remains an important challenge confronting the rule of law in Liberia. This problem is exacerbated by constitutional constraints that prevent the judiciary from inviting foreign lawyers and judges to fill the existing gap, a practice used in other African countries such as Botswana, where even foreign chief justices have been appointed while internal capacity was being built.

161. The conviction rates remain low since the last Panel report highlighted this problem (S/2007/340, annex, para. 176). Criminal Court D, which is officially responsible for dealing with cases of armed robberies, has often been without a judge and has not issued an indictment since November 2006. According to the Liberian Penal Code, suspects cannot be kept in custody for more than three court terms after their arrest without being tried, or for two terms after their indictment. There are also difficulties in getting witnesses to testify owing to fears of reprisal.

**Conclusion and recommendations**

162. The Panel recommends that the Sanctions Committee carefully review the status of past exceptions to the arms embargo and inventories of weapons already transferred to Liberia before approving further transfers of military material to Liberian security services.

163. The Panel also recommends that future letters of exception granted by the Committee request exception-holding States or parties to notify the Committee, directly or through UNMIL, of the date, point of entry and quantities of equipment contained in each shipment delivered to authorized recipients in Liberia as part of the exception. The Panel further recommends that the Committee request the Government of Liberia and/or UNMIL to systematically inspect approved shipments at their point of entry and provide inspection reports to the Committee to facilitate the monitoring of exceptions.

164. Moreover, the Panel recommends that during its next inspection of weapons and ammunition at the LNP and SSS armories, the Firearm Inspection Team also carry out a comprehensive inventory of all other military equipment provided under the exceptions, including riot control material.

165. There are international and regional efforts for standardizing the marking of weapons, such as the International Instrument to Enable States to Identify and Trace, in a Timely and Reliable Manner, Illicit Small Arms and Light Weapons. The Panel recommends that the Security Council, in any future modifications to its Liberia arms sanctions, request the use of these standards that the Sanctions Committee, in any future exceptions, request the use of these standards and that the Government of

Liberia, as a matter of good practice, consider using these standards for the marking of all weapons.

166. Lastly, the Panel recommends the enhancement of the capacity of UNMIL and other partners to deal with explosive ordnance disposal.

# VII. Travel ban and assets freeze

167. The Security Council imposed travel restrictions on certain individuals in its resolution 1521 (2003) and required the freezing of assets of certain individuals in its resolution 1532 (2004).

### Travel ban

168. During the period under review, two individuals on the travel ban list applied for waivers. Edwin Snowe requested a waiver to travel to Ghana for medical treatment; Jewel Howard Taylor applied for a waiver to travel to South Africa for medical treatment, as well. Ms. Taylor's request was approved while Mr. Snowe's was denied. The Panel met with Cyril Allen, who denied travelling to Nigeria as reported by the previous Panel (S/2007/340, annex, para. 187).

169. Authorities in Liberia and Nigeria stressed the need for capacity-building for immigration officials who are in the front lines and play a role in identifying individuals at border crossings.

### Assets freeze legislation

170. Since the last Panel report, the Government of Liberia has not made any progress towards the freezing of the assets of any individual or entity designated pursuant to resolution 1532 (2004). The position of the Government is that the present laws are inadequate to implement the assets-freeze resolution. However, the House of Representatives did not pass the draft legislation forwarded by the President to the Legislature. Two prominent members of the legislature (Ms. Taylor and Mr. Snowe) remain on the assets freeze list.

171. The Permanent Mission of the Netherlands has informed the Panel that during the course of investigations into drug smuggling and stolen car trading, the Netherlands authorities arrested Ali Colaylete Aldelbi and there are strong indications that he is in fact Ali Kleilat, whose name appears on the assets freeze list. The Public Prosecution Service in Rotterdam and its Proceeds of Crime Bureau have frozen €1,487,785.90 and 30 items (mostly jewellery, not yet valued) belonging to Mr. Kleilat.

172. The Permanent Mission of Bulgaria has informed the Panel that it requested investigations and was informed that San Air General Trading and Air Business Services had ordered transactions with Bulgarian companies in 2000 and 2004, respectively. No further information has yet been provided by the DZI Bank.

### Charles Taylor's alleged assets in Nigeria

173. A previous Panel report (S/2006/976, para. 154-155) provided allegations of investment by Charles Taylor in Nigeria. Mr. Taylor was allegedly also carrying a large amount of money when he attempted to break the terms of his exile by fleeing

Nigeria in March 2006. The Panel previously attempted to visit Nigeria to conduct further investigations into these allegations.

174. A significant milestone in the work of the Panel occurred when, in a letter dated 23 July 2007, the Government of Nigeria invited it to visit Nigeria. The Panel visited Nigeria from 22 October to 30 October and met with the National Security Adviser, the Economic and Financial Crimes Commission, the National Intelligence Agency and SSS. It was informed that the Government of Nigeria had established a high-level committee to investigate whether Mr. Taylor had assets in Nigeria.

175. The Nigerian authorities provided details on the nature of the investigations. They informed the Panel that they were unable to find conclusive evidence of any funds, economic assets or investments made by Mr. Taylor in Nigeria. They concluded that the investments and assets in Nigeria attributed to Mr. Taylor were not supported by the facts on the ground. The Panel was informed that the houses occupied by Mr. Taylor and his family in Calabar were rented from a Nigerian owner and were not owned outright.

176. The Panel was also informed that a number of items were confiscated from Mr. Taylor when he was apprehended. SSS provided an unsigned inventory of these items, which included three vehicles, personal effects, arms and ammunition, and communications and entertainment equipment (see annex VIII). According to Government officials, these various items are all still in the custody of the Government, except for the three vehicles, which were returned to Mr. Taylor's family in Calabar. Moreover, the Panel was informed that Mr. Taylor had a briefcase in his possession at the time of his arrest that was not opened, and that he had been allowed to depart for Monrovia with it.

177. The Panel was told that it would receive copies of the reports of the Government of Nigeria, but it was only able to obtain an unsigned summary report (see annex IX). It has thus not yet been able to confirm the Government's findings.

178. The Panel conducted a further investigation in Liberia as to whether Mr. Taylor had the briefcase in his possession when he landed in Monrovia and was transferred to Liberian and United Nations officials. Officials of three agencies (National Security Agency, Immigration and UNMIL) all confirmed that the exchange had taken place in front of approximately 15 persons and that Mr. Taylor was not in possession of a briefcase. The items in his possession were detailed in a report and shared with United Nations Headquarters in New York as well as the Special Court in Sierra Leone. Thus, while the Panel has been able to confirm the existence of a briefcase, its whereabouts remain unknown.

# Annex I

## Meetings and consultations

**Belgium**

Antwerp World Diamond Centre

European Commission

European Union Permanent Representatives: United Kingdom of Great Britain and Northern Ireland

Global Witness

Green Advocates

Kimberley Process

Partnership Africa Canada

United States Geological Survey

United States Department of State

**Canada**

Department of Foreign Affairs and International Trade

**Côte d'Ivoire**

Group of Experts on Côte d'Ivoire

International Crisis Group

United Nations Operation in Côte d'Ivoire

**Liberia**

*Government*

Bureau of Immigration and Naturalization

Central Bank of Liberia

Forestry Development Authority

Liberia National Commission on Small Arms

Liberia National Police

Liberia Petroleum Refinery Corporation

Ministry of Commerce and Industry

Ministry of National Defence

Ministry of Finance

Ministry of Foreign Affairs

Ministry of Justice

Ministry of Lands, Mines and Energy

Ministry of Post and Telecommunications

National Commission for Disarmament, Demobilization, Reintegration and Rehabilitation

National Security Agency

National Port Authority

Auditor General

Local Governments Authorities, Grand Gedeh and Lofa

National Security Adviser

Secretary to the Senate

*Other organizations*

Association of Liberian Loggers

Conservation International

United States of America

Embassy of the United States of America

Embassy of the People's Republic of China

Fauna and Flora International

Federation of Miners Association of Liberia

Firestone Rubber Plantation

Gold and Diamond Dealers and Brokers Association of Liberia

Gold and Diamond Miners and Workers Union of Liberia

Green Advocates

International Committee of the Red Cross

Kaseman

Liberia Forest Initiative

Liberia National Law Enforcement Association

Landmine Action

Liberian Timber Association

Mano River Resources

Sustainable Development Institute

United Nations Development Programme

United Nations High Commissioner for Refugees

United Nations Mission in Liberia

World Bank

**Nigeria**

*Government*

Economic and Financial Crime Commission

National Intelligence Agency

Office of the National Security Adviser

State Security Service

*Bilateral and multilateral*

High Commission of Canada

**Switzerland**

Centre for the Democratic Control of Armed Forces

International Committee of the Red Cross

Small Arms Survey

United Nations Development Programme

## Annex II

### Press release on the lifting of the diamond mining moratorium

REPUBLIC OF LIBERIA
MINISTRY OF LANDS, MINES AND ENERGY
P.O. BOX 10-9024
1000 MONROVIA 10
LIBERIA, WEST AFRICA
Tel: (231) 226858, Fax: (231) 226281

**PRESS RELEASE**

**26 July 2007**

During April this year the Sanctions imposed on our diamond sector were lifted. Since that time the Government of Liberia through the Ministry of Lands, Mines and Energy has been working assiduously, with the help of our international partners, to put necessary procedures in place to recommence the extraction and exportation of our diamonds.

Liberia is now an active member of the Kimberley Process Certification Scheme, whose rules and regulations govern the international trade in rough diamonds. To comply with these requirements our work has focused upon efforts to combat the smuggling of our diamond resource and to establish regional offices that form the basis of a 'chain of custody' mechanism. We have had to train staff and equip the Diamond Office, the authority that will certify diamonds [illegible] regulations of the Kimberley Process Certification [illegible] assignment to our process, the Kimberley Process Expert [illegible] has duly arrived in Liberia. Therefore I am pleased to announce the [illegible] on diamond mining in Liberia.

Many of you will have attended workshops, heard our radio skits or attended the drama awareness campaigns that continue to tour the diamond mining areas of this country. You will know that the diamond industry is no longer as it was. Much has changed. The laws of Liberia have changed to ensure compliance with international standards, all persons operating diamond mines or acting as brokers or dealers within the diamond industry need to be licensed, and much stiffer penalties for offenders form part of our new standards. From Monday, July 30, the Bureau of Mines at the Ministry of Lands Mines and Energy will be open to process diamond mining license claims, and licenses applications for brokers and dealers.

## Annex III

### List of licensed diamond brokers and dealers

| *Issue date* | *Name* | *Licence type* | *Fees paid (United States dollars)* |
|---|---|---|---|
| 6 September 2007 | Perfect Stone | Broker | 1 500 |
| 20 September 2007 | Dennis Khalil | Broker | 1 500 |
| 28 September 2007 | Modern Supplier | Broker | 1 500 |
| 28 September 2007 | Subsea Resources DMCC | Broker | 1 500 |
| 9 October 2007 | Tomah Seh Floyd | Broker | 1 500 |
| 12 October 2007 | Clarence Massaquoi | Broker | 1 500 |
| 22 October 2007 | MSR Rich Group | Broker | 1 500 |
| 29 October 2007 | Moses Bejimin- Yuli Diamonds | Broker | 1 500 |
| 30 October 2007 | Macila Kamara- Yuli Diamonds | Broker | 1 500 |
| 18 October 2007 | Alhiji Sekou Konneh | Broker | 1 500 |
| 18 October 2007 | Alhiji Abu Sangary | Broker | 1 500 |
| 30 October 2007 | Dauoda & Brothers | Broker | 1 500 |
| 30 October 2007 | Nimba Diamond Ent. | Broker | 1 500 |
| 5 November 2007 | George Zoevah | Broker | 1 500 |
| 5 November 2007 | Abdulai M. Toure | Broker | 1 500 |
| 5 November 2007 | Arthur G. Flomo | Broker | 1 500 |
| 5 November 2007 | Salifu M. Koulibaly | Broker | 1 500 |
| 8 November 2007 | Mustapha A. Sidee | Broker | 1 500 |
| 1 August 2007 | Yuly Diamond Co. Inc. | Dealer | 20 000 |
| 13 August 2007 | Gemmacom Lib. Ltd | Dealer | 20 000 |
| 10 August 2007 | Place Vendome | Dealer | 20 000 |
| 23 August 2007 | Subsea Resources DMCC | Dealer | 20 000 |
| 20 August 2007 | Faith Incorporated | Dealer | 20 000 |
| 6 September 2007 | Balaji Gems | Dealer | 20 000 |
| 10 September 2007 | Avargo International | Dealer | 20 000 |
| 14 September 2007 | Royal Company | Dealer | 20 000 |
| 27 September 2007 | ISIT, Inc/Italgem | Dealer | 20 000 |
| 1 October 2007 | ADMT Camp | Dealer | 20 000 |
| 12 October 2007 | Kwakmas Incorporated | Dealer | 20 000 |
| 26 October 2007 | Ramat Gan Inc. | Dealer | 20 000 |

# Annex IV

## Press release on the diamond shipment confiscated in Israel

The Analyst, Tuesday, November 13, 2007 Page 8

Republic of Liberia
Ministry of Lands, Mines and Energy
P.O. Box 10-9024
1000 Monrovia 10, Liberia, West Africa
Tel: (231) 77889996, Fax: (231) 7780997

**Press Release**

Friday, November 09,2007

The ministry of Lands, Mines and Energy has received information that one Diamond Dealer has conveyed a parcel of Diamonds out of the country to the Republic of Israel by circumventing the Mining and Mineral Laws of Liberia and the requirement of the Kimberley process certification Scheme. Unfortunately, the customs Authority in Israel confiscated the parcel, sealed it and is currently in their possession.

The Law requires that all rough diamonds leaving from Liberia must be certified by the Government Diamond Office of the Ministry of Lands, Mines and Energy in fulfillment of the KPCS. This requires the physical examination of the diamonds, weight and value determination at the Diamond Office and the payment of royalty into the Government Revenue at the Central Bank of Liberia.

The Diamond Dealer implicated in this illegal act has been identified and advised to return the diamonds to Liberia so that proper disposal of the commodity can be effected and appropriated penalty instituted in accordance with the mining and Mineral Laws of the country.

For the consumption of all stakeholders and Responsible citizens, the Law requires that all conveyors of rough Diamonds and unrefined gold must be licensed by the ministry of Lands, Mines and energy. The penalty for violation of this Law requires a fine of US$ 10,000.00, a jail term of not less than six months and the subsequent seizure of the products.

Liberia is a bona fide member of the Kimberley process Certification Scheme. As such, the Government of Liberia is serious about the Law and will not hesitate to execute the appropriate penalty on any violator.

# Annex V

## List of criteria for pre-qualification (Regulation 103-07)

### Yes-or-no pre-qualification criteria

1. Is the Applicant a corporation registered to do business in Liberia, and NOT a partnership, sole proprietorship, natural person, not-for-profit entity or non-governmental organization, or unincorporated association? (See Public Procurement and Concessions Act, as amended, Section 86) [An answer of "Yes" is required for prequalification.]

2. If the Applicant seeks to produce cut wood or logs, does the Applicant have a main office in Monrovia? (See National Forestry Reform Law of 2006, Section 13.3) [An answer of "Yes" is required for prequalification.]

3. Is any officer or director of the Applicant or any Person with more than a one percent equity stake in the Applicant restricted from participating in the forest trade in Liberia? (For a list of people restricted from participating in the forest trade, see National Forestry Reform Law of 2006, Section 5.2(b)(v)-(vii).) [An answer of "No" is required for prequalification.]

4. Has any officer or director of the Applicant or any Person with more than a one percent equity stake in the Applicant been convicted of or pleaded no contest to a felony in the past five years? [An answer of "No" is required for prequalification.]

5. Is the Applicant in good standing in its payments of corporate taxes and social security in Liberia? [An answer of "Yes" is required for prequalification.]

6. Is the Applicant in good standing in its payments of forest-related fees, including stumpage, land rental, and forest product fees in Liberia? [An answer of "Yes" is required for prequalification.]

7. Is the Applicant in good standing in its payments of trade-related fees in Liberia? [An answer of "Yes" is required for prequalification.]

8. Has the Applicant or any affiliate of the Applicant been convicted or penalized for violation of any forest-related law in the last five years in Liberia? (As used in this Schedule, "affiliate" includes any parent or subsidiary of the Applicant, and any other entity or individual that shares directors, officers, or managers with the Applicant.) [An answer of "No" is required for prequalification.]

9. Has the Applicant or any affiliate of the Applicant been convicted or penalized for any violations of commercial law in the last five years in Liberia? [An answer of "No" is required for prequalification.]

10. Is the Applicant or any affiliate of the Applicant debarred from Government contracting in Liberia under the Public Procurement and Concessions Act, as amended? [An answer of "No" is required for prequalification.]

11. Has the Applicant or any officer, director, or affiliate of the Applicant been convicted or penalized for any violation of law in the last five years that reflects on honesty or moral character, such as theft, embezzlement, bribery, tax evasion, false swearing, or forgery? [An answer of "No" is required for prequalification.]

12. Has the Applicant or any affiliate of the Applicant been convicted or penalized for interference with fair and open competition in contracting? [An answer of "No" is required for prequalification.]

13. Has the Applicant been adjudged insolvent or bankrupt during the past five years? (Persons who have sought bankruptcy protection but are in compliance with a court-approved plan of reorganization permitted under the laws of Liberia may answer "no".) [An answer of "No" is required for prequalification.]

14. For the purposes of this criterion, "Significant Individuals involved in the ownership or management" of a corporation means:

(1) All members of the board of the corporation.
(2) All holders of offices created in the corporate bylaws.
(3) All individuals who have effective control over at least ten percent of the voting stock of the corporation, either through direct ownership or through direct or indirect control of the voting of other stockholders.
(4) All individuals authorized to withdraw funds or sign checks on the corporate bank accounts.
(5) All individuals authorized to transfer ownership of corporate assets worth more than US$10,000, including individuals authorized to pledge those assets as security.
(6) All individuals presently entitled to receive, directly or indirectly, more than US$ 10,000 per year from the corporation in interest payments, and all individuals to which the corporation owes, directly or indirectly, more than US$ 100,000 in principal.
(7) All individuals who have received in the last two years, or can reasonably be expected to receive in the coming two years, more than US$ 25,000 from the corporation from sources other than current employment or sale of goods or services at fair market value.

Has the Applicant supplied the Authority a complete list of Significant Individuals involved in the management or ownership of the Applicant, and have all the named Significant Individuals supplied the Authority with a sworn affidavit attesting that either:

(a) The Significant Individual had no involvement in Liberia with forest harvest or the timber trade before January 1, 2006; or

(b) The Significant Individual had involvement in Liberia with forest harvest or the timber trade before January 1, 2006 and has done all the following:

(1) The Significant Individual has filed with the Truth and Reconciliation Commission a sworn statement describing the individual's involvement in Liberia in forest harvest and the timber trade, honestly and fully disclosing all illegal activities in which the individual was involved;

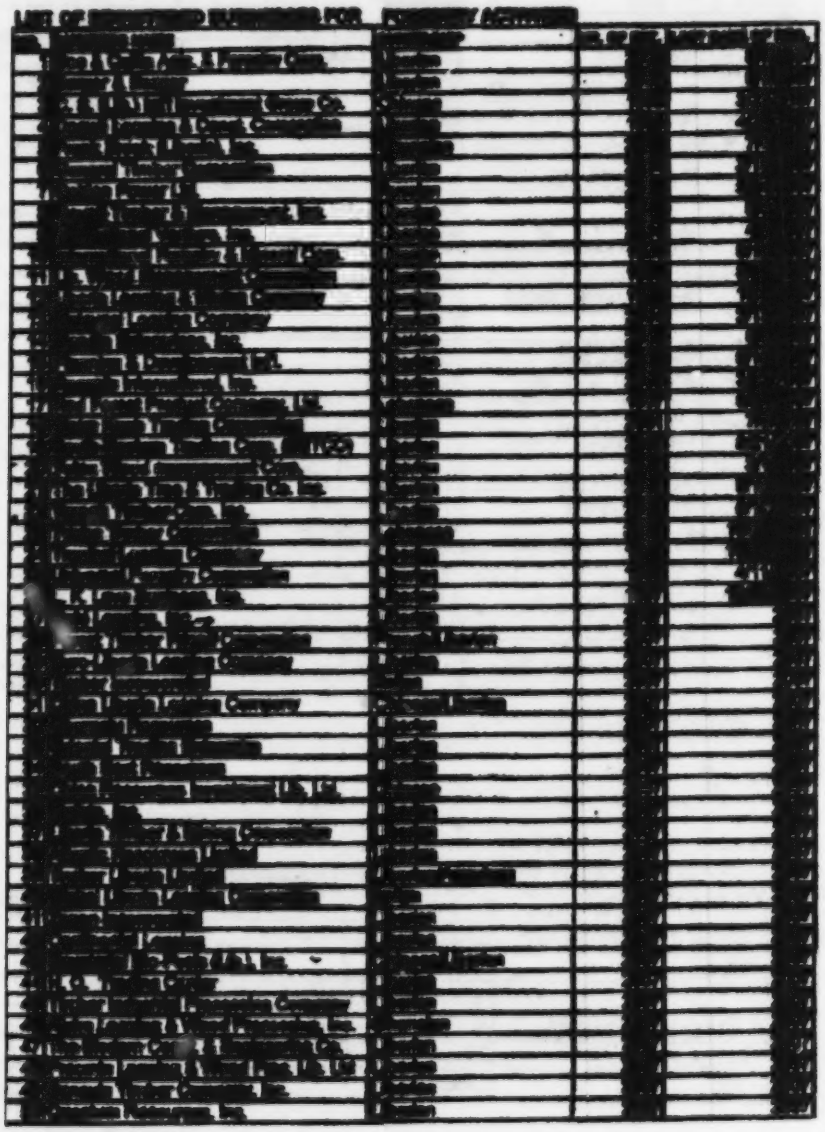
(2) The Significant Individual has cooperated upon request with Government-approved efforts to recoup funds lost due to illegal activity; and

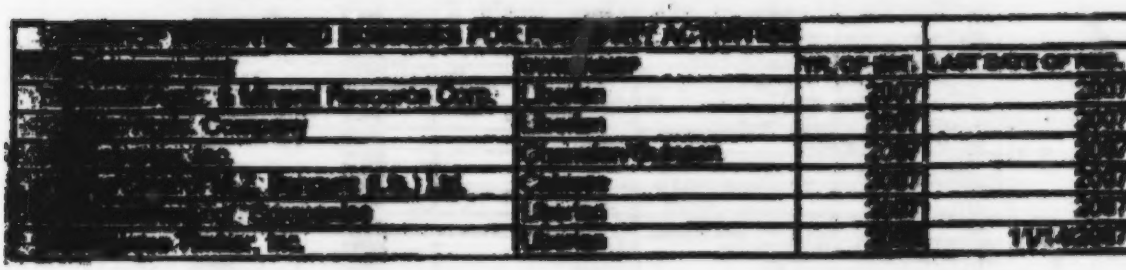
(3) The Significant Individual has filed with the Authority a pledge to cooperate upon request in all future Government-approved efforts to recoup funds lost due to illegal activity, understanding that if the individual fails to keep the pledge, the Authority may cancel any license granted on the strength of the pledge?

[An answer of "Yes" is required for prequalification.]

## Annex VI

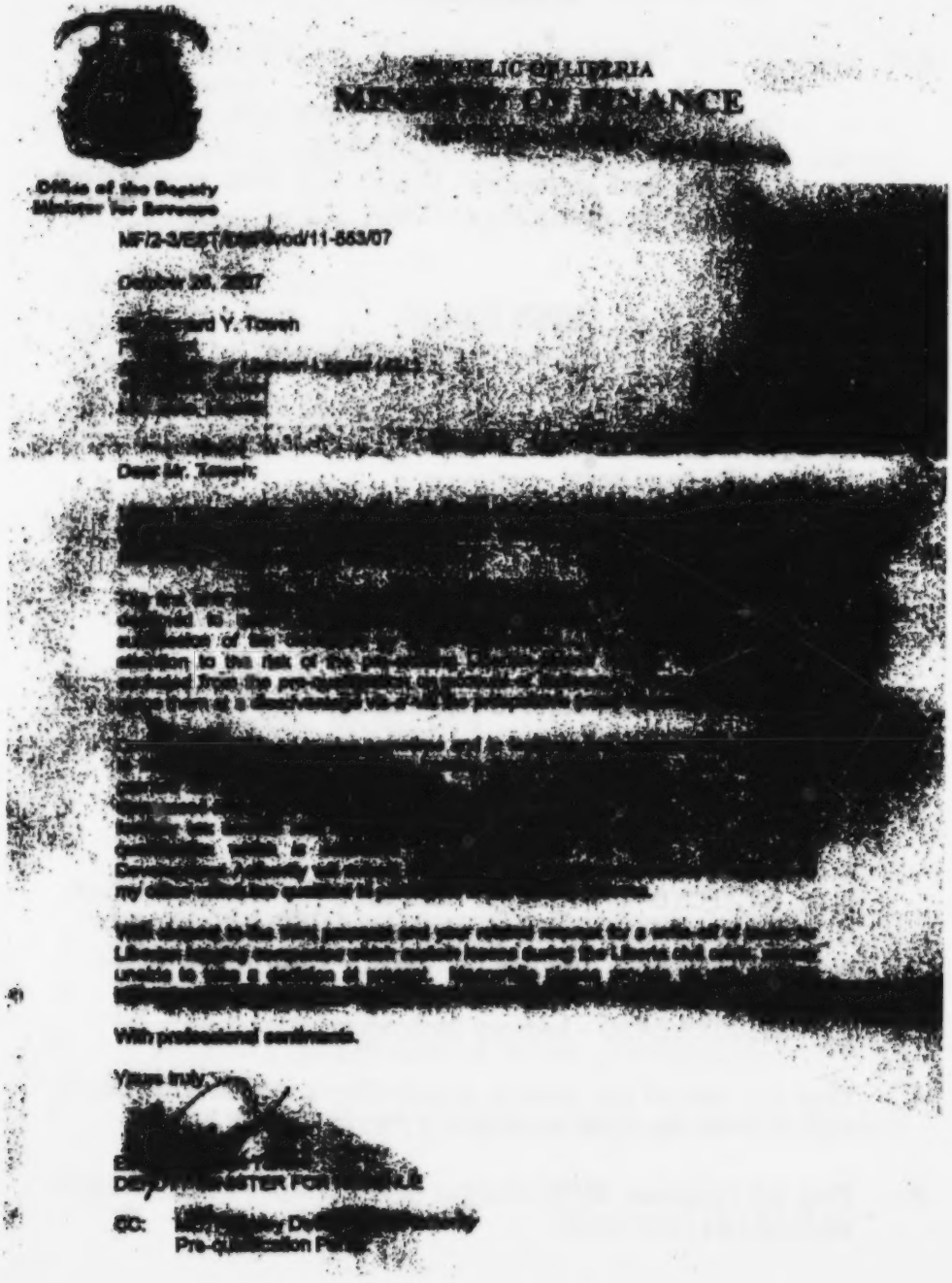
### List of logging companies registered with the Ministry of Commerce of Liberia





## Annex VII

### Letter from the Ministry of Finance of Liberia to the Association of Liberian Loggers



REPUBLIC OF LIBERIA

MINISTRY OF FINANCE

Office of the Deputy Minister for Revenue

NF/2-3/EBT/[redacted]vod/11-553/07

October 26, 2007

Mr. Richard Y. Toweh

Dear Mr. Toweh:

With professional sentiments.

Yours truly,

DEPUTY MINISTER FOR REVENUE

cc: [redacted]

## Annex VIII

### Inventory of Charles Taylor's goods in Nigeria

**INVENTORY**

**A.**

i. One (1) black Mercedes Benz G500 V.8 Jeep, bullet proof Eng. WDB. 4682117113792
ii. One (1) Red Mercedes G.500 V.8 Jeep convertible Eng. No. WDB463201x118881

**NIKE BAG (I)**

**B.**

1. Five (5) of M-RK Erickson walkie talkie model PKIHA with their serial numbers:

   a. 534786
   b. 534787
   c. 534738 -earpiece
   d. 534782 – earpiece

2. Four (4) Motorola PMTN4025A (charger)

3. Number of Motorola GP328 serial number

   a. 672TCY8445 – without serial number
   b. 672TCY8446 – without battery
   c. 672TCY8447 – battery inclusive – without antenna
   d. 672tcy8440 – battery inclusive – without antenna
   e. 672TCY8437 battery inclusive – without antenna
   f. 672TCY8441 – battery inclusive
   g. 612TCY8430 – battery inclusive

4. One (1) unit of car mobile phone (Thrane and Thrane) S. No. 00840622; P/N: 403620C Y/W: 2000/47

5. One (1) Erickson MPK charger (M-RK Rapid Deak charger BML16151/305 R4A)

6. One (1) Mercedes Benz Jeep Manual

7. 9mm luger live ammunition (17 in number)

8. 2 cartons of 12packs of polygon cut Korean red ginseng

9. 2 cartons and 9 packets of sliced Korean red Ginseng

10. 21 vest (white)

11. 1 T-shirt (white)

12. 1 safari jacket (top only) brown

13. 1 shaddah trouser (brown)

**BAG II**

C.

1. 1 Unit of cables multi coated optics BAK4 Prisms binoculars 20x80 (field 2.7 14ft at 1000yards

2. 2 units of SHIXENG 99990s6880CB Gross field 8M148000M. Binoculars

3. 2 units of Motorola GP328 S/NO.

   a. 672TCY8431
   b. 672TCY8436

4. 1 Motorola GP328 battery kit No. HNN9008A

5. 1 Mercedes Benz Radio remote control (Becker BE260059483089)

6. 1 Video cassette titled A Goofy Movie Cartoon

7. 1 Liberian flag

8. Plate No. AA641AKP registered at Cross River

9. 5 Pairs of shoes i.e.

   - 3 cover shoes (2 black 1 white)
   - 1 canvas
   - 1open halve shoe (black)

10. 1 mini dictionary

11. 1 Motorola charger unit (without adapter) HTN9000B

12. 1 Carton of 11 bottles of BOTOT at month wash

13. 1 Army green colored rain coat

14. 1 bullet proof jacket and cap

15. 1 Mercedes Benz Jeep Manual

**[redacted] BOX I**

D.

1. 2 insulated Blankets
2. Bed sheets
   a. 2 white
   b. 2 brown + 2 pillow cases
   c. 4 collared + 2pillow cases
3. 1 Hummer sign
4. 3 Motorola antenna
5. 4 units of Gowus (Baban Riga) green, while, milk and ash
6. 2 pairs of socks
7. 2 papers (letters/---------)
8. 3 jumpers – 1 red, 1 milk and 1 white

**[redacted] BOX II**

E.

1. 1 set of safari suit jacket
2. 2 sets of suits
3. 7 trousers
4. 2 sets of white casual wears
5. 2 long sleeve shirts
6. 4 T-Shirts
7. 6 pants (underwear)
8. 2 used vest
9. 4 new vest and 1 new pant

10. 1 multipurpose jacket
11. 2 novels effective thinking skills by Richard Nelson-Jones and laws of teamovale by John C. Maxwell
12. 1 Mercedes Benz Jeep manual
13. 2 bottles of perfume
14. 1 Nivea lotion
15. 4 deodorants

**OTHERS**

1. 3 Spairtives (2without RIMS)
2. 3 Jacks hydraulic
3. 1 hoconer wheel spanner
4. 1 walking stick

**CHARLES TAYLOR**

9mm Browning No. 137109 and 15Rds 9mm from Bornoo Command on 25/08/2006.

**7X SCORPION**

1. 54909
2. 54948
3. 54931
4. 54980
5. 54977
6. 54967
7. 54954

9mm Live – 175Rds

7.65mm - 135Rds

9x Magazines

one (1) Bag, padlock and key

Handed over to the present SO Arms by the former Armourer on 31/01/2004

# Annex IX

## Nigerian summary report on investigations into Charles Taylor's alleged assets

**Meeting with the United Nations Panel of Experts investigating former President Charles Taylor's assets, Thursday, 25 October 2007**

1. Based on a letter received from the United Nations, the NSA directed that representatives of some security and intelligence agencies under the Chairmanship of the DG SSS should investigate and submit findings on the alleged assets and investments of former President Charles Taylor in Nigeria.

2. The representatives of the National Intelligence Agency (NIA), the Nigeria Police Force (NPF), Nigeria Customs Service (NCS), Economic and Financial Crimes Commission (EFCC) and the State Security Service (SSS) met and submitted that:

a. The property at Okoi Arikpo Estate Calabar, said to belong to Charles Taylor is actually the property of second Republic Senate President, Joseph Wayas but was rented by Taylor for his wife Victoria Addison Taylor who is still occupying it.

b. No evidence was found of any investment by Taylor in Tinapa Business Resort Limited, the Arab Contractors and Obudu Cattle Ranch.

c. EFCC account of its investigation revealed that none of the twenty-five consolidated banks in Nigeria is in custody of accounts Charles Taylor.

d. Other investigations also revealed that during his reign in Liberia, Taylor used Europeans mostly for his money laundering and that some of them were jailed for sundry offences in various European countries.

e. At the point of Arrest, 3 vehicles – 2 Mercedez Benz G-500 and 1 Range Rover – were recovered from Mr. Taylor. The vehicles were returned to his family in Calabar.

f. Taylor was deported to Liberia with his brief case the content of which was not disclosed.

g. Based on the investigation carried out the allegations were found to be mere speculations.

h. Nigeria advises therefore that information on Taylor's assets should be sought from the Liberian Government as the only asset linked to Taylor by the United Nations was a Globel Mobile Telephone Company in Liberia which was reportedly confiscated and sold to MTN South Africa.